



**INTERNAL REVIEW REPORT: ATIR 00-11  
27 APRIL 2000**

***PERFORMANCE  
WORK STATEMENT  
ADVISORY UPDATE***

**PENINSULA OFFICE OF  
INTERNAL REVIEW AND AUDIT COMPLIANCE  
US ARMY TRAINING AND DOCTRINE COMMAND  
FORT MONROE, VIRGINIA 23651-1212**

## MEMORANDUM FOR SEE DISRIBUTION

SUBJECT: Performance Work Statement Advisory Update, ATIR 00-11

**1. Introduction.** Directorate of Information Management (DOIM), Adjutant General (AG), and Training Support Center (TSC) throughout TRADOC are currently involved in the development of their performance work statement (PWS) as a part of the first phase of commercial activity cost competition studies. A PWS accurately describes the work of the contractor and technical requirements for manufacture of items or materials, and performance of services. HQ TRADOC, installation Internal Review offices and the U.S. Army Audit Agency are involved in assisting in these studies as independent reviewers (Annex A). We have prepared this report as a reference to activities involved in the preparation of their PWS. DA Pam 5-20 provides guidance for developing the PWS that is of assistance to managers. This report contains summaries of recent appeals issues involving the PWS and our suggestions on how to avoid these common problems.

**2. Work To Date.**

a. From 22 February 2000 through 7 April 2000 we have made site visits to Fort Jackson (TSC and DOIM), Fort Sill (TSC and DOIM), Fort Leavenworth (TSC and AG), Fort Monroe (TSC), Defense Language Institute (DLI), and Carlisle Barracks (AG). This work was conducting as a consulting effort rather than audit under generally accepted government auditing standards. We held initial in-briefs with command, determined if they wanted a PWS consulting review, passed out the PWS checklist, and passed out a list of items required for a PWS review. We also met with the study members, observed some interviews, familiarized ourselves with function, and determined nature and extend of workload data available. To assist in the development of the PWS, we have developed this report containing summaries of various recent appeals problems involving PWS issues and our suggestions on how to avoid these common problems.

b. We asked the installation Internal Review offices (that are working on studies) to provide us an update and any problems they have encountered that may be common to all installations. Fort Huachuca and Fort Lee provided responses. Fort Huachuca is currently reviewing the first draft of the PWS.

**3. PWS Appeal Issues.** The following section discusses various problems with performance work statements that have resulted in appeals.

a. Productive hours and workload data were not kept up-to-date in the PWS. The Most Efficient Organization (MEO) contained more up-to-date workload; and since the MEO was developed later than the PWS, this created an unequal playing field. It is important to have the most current information available included. Data collection

should be continuously updated until the cost comparison decision is implemented (DA PAM 5-20, Section II, 3-7.f.).

b. Unintentionally inferring a need for full-time positions in the PWS. Contractors interpreted terminology used in PWS as requirement for full-time positions. The activity indicated that this was not their intention and did not include the same in the MEO thus creating an unequal playing field. The following phrases (found in different PWSs) were interpreted to mean full time: "dedicated to performing...", "located full time at...", and "on-site during normal operating hours".

c. Erroneously including functions to be accomplished through use of Governmental-in-nature (GIN) staff or contract administrative personnel in the PWS. GIN functions were excluded from the MEO but included in PWS. Including contract administrative personnel functions in the PWS resulting in the contractor being charged twice for the same function. The PWS required the contractor to include them in his bid and contract administrative personnel costs were added to the contractors bid for the cost comparison purposes.

d. Functions to be removed from the activity under study and given to other activities or contractors were erroneously included in the PWS. These same functions were excluded from the MEO thus creating an unequal playing field. Functions planned for removal (from the activity under study) for whatever reason should be excluded from all phases of the study: PWS, MEO, and Cost Comparison.

e. PWS calls for a higher skill level than planned for in the MEO thus creating an unequal playing field. The MEO must reflect all requirements contained in the PWS including skill levels. Do not require highly skilled certified personnel in the PWS unless the MEO will also reflect that requirement.

### **3. Suggested Actions For Activities Under Study**

a. Keep on collecting workload data. As long as the CA study is going on, regardless of any CA study related delays, data must be continuously collected. Data collection should continue until a cost comparison decision is implemented.

b. Continuously make any changes in workload in the PWS even if the PWS has already been submitted to contracting. Data collection should be continuously updated until the cost comparison decision is implemented. The PWS will be updated several times after going to contracting and solicitation amendments done. Be sure to include workload changes that become apparent as data collection progresses.

c. Keep your employees involved. Ensure affected employees review and re-review task lists to add to or delete tasks.

d. Develop the PWS with an eye toward the changes that would occur after the cost comparison decision is implemented and not as the organization is now.

- ✓ Carefully review the PWS for inferences that a full time position is required for a function. You must include a full-time position in your MEO for each full-time position you infer as required in the PWS.
- ✓ The work of anticipated GIN employees or contract administrative personnel should not be included.
- ✓ Functions to be removed from the activity under study and given to other activities or contractors should not be included.
- ✓ If a lower skill level of employee is anticipated in the MEO then do not specify highly skilled certified personnel requirements in the PWS.

e. Read up on and carefully follow guidance in DA PAM 5-20 section III on “writing the PWS”.

1) Carefully follow cautions in DA PAM 5-20, Section III, 3-8. Language used in the PWS should be in harmony with the requirements of DA PAM 5-20, Section III, 3-8.

2) Use tree diagramming to identify regular tasks. DA PAM 5-20, section III, 3-9, contains guidance related to using tree diagramming.

f. Use the PWS Check List (Annex B) and USAAA List of Lessons Learned (Annex C).

g. Have your independent reviewer evaluate the reasonableness of the workload in the PWS. Your independent reviewer can be a valuable resource for any reasonableness questions you might have throughout the PWS development.



Frank W. Slayton  
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## ANNEX A

### Independent Review of Commercial Activities Studies

<b><u>Installation</u></b>	<b><u>Responsible for Conducting Independent Review</u></b>		
	<b><u>TSC Study</u></b>	<b><u>DOIM Study</u></b>	<b><u>AG Study</u></b>
Fort Benning	<a href="#">Benning Internal Review</a>	<a href="#">Benning Internal Review</a>	AAA
Fort Bliss	<a href="#">Bliss Internal Review</a>	<a href="#">Bliss Internal Review</a>	AAA
Carlisle Barracks	<i>Not Applicable</i>	AAA	<a href="#">HQ TRADOC Internal Review</a>
Fort Eustis	<a href="#">Eustis Internal Review</a>	AAA	AAA
Fort Gordon	<a href="#">Gordon Internal Review</a>	AAA	AAA
Fort Huachuca	<a href="#">Huachuca Internal Review</a>	AAA	AAA
Fort Jackson	<a href="#">HQ TRADOC Internal Review</a>	<a href="#">HQ TRADOC Internal Review</a>	AAA
Fort Knox	AAA	AAA	AAA
Fort Leonard Wood	<a href="#">Leonard Wood Internal Review</a>	AAA	AAA
Fort Lee	<a href="#">Lee Internal Review</a>	AAA	AAA
Fort Leavenworth	<a href="#">HQ TRADOC Internal Review</a>	AAA	<a href="#">HQ TRADOC Internal Review</a>
Fort Monroe	<a href="#">HQ TRADOC Internal Review</a>	AAA	<i>Not Applicable</i>
POM (DLI)	<i>Not Applicable</i>	<a href="#">HQ TRADOC Internal Review</a>	<a href="#">DLI Internal Review</a>
Fort Rucker	<i>Not Applicable</i>	AAA	AAA
Fort Sill	<a href="#">HQ TRADOC Internal Review</a>	<a href="#">HQ TRADOC Internal Review</a>	AAA

## ANNEX B

### **Performance Work Statement Checklist**

To assist activities in completing their A-76 studies and to reduce delays, we provide a checklist for the performance work statements. This checklist is optional for activities to finish, but it is a good management tool to ensure the draft performance work statements are complete and supportable before our review starts. Installations should retain documents and references used to answer the checklist.

√ when completed	<b>Performance Work Statement Requirements</b>
	1. Have representatives from the contracting office, legal counsel, and MACOM participated in the development and review of the performance work statement?
	2. Is the information referenced in AR 5-20, paragraph 4-6.b.(4)(a) through 4-6.b.(4)(d) available, including: past and current Table of Distribution and Allowances documents and staffing information, past and current operating procedures, past budget execution reports or other historical reports on resource consumption and the total cost of operations?
	3. In accordance with AR 5-20, paragraph 4-7, does the performance work statement describe all functional and performance requirements of the work, the location of the work, the units of work, the quantity of work units, and the quality and timeliness of work units, available?
	4. Are key task statements capable of being verified with supporting workload data? Is the workload data current and reflect the workload that is expected during the period of performance? (In accordance with DA Pam 5-20, paragraph 3-7.f.(1), at least 9 months of historical workload data must be provided. And, there must be a method to replace the oldest month of historical data with current data when 12 months of current workload has been gathered.) Has an analysis of the workload been performed to reflect the impacts of changing conditions?
	5. Does the performance work statement only include work that is required? Is the required work currently being performed by the in-house work force (or capable of being performed by the most efficient organization work force) to the standard listed in the performance work statement?
	6. Is a list of all organizations and activities excluded from the study available? Does the list include all governmental in nature and residual organization spaces, the rationale for each determination, and the garrison commander's approval? Does the performance work statement exclude tasks and activities performed by the governmental in nature and residual organization staffs?
	7. Does the performance work statement include workload currently being performed by personnel not officially assigned to the function, including borrowed military manpower, volunteers and prison labor? If so, will this workload be performed by the most efficient organization?
	8. Does the performance work statement include a technical exhibit listing all contracts for work that will not be done by the most efficient organization?
	9. Are all Technical Exhibits and required documents ready for review? Is there an audit trail, including supporting documentation for all Technical Exhibits and required documents, which includes: the source of the data used, the name of the author and responsible office, the date produced and the method used to incorporate updates and changes?

<p>√ when completed</p>	<p><b>Performance Work Statement Requirements</b></p>
	<p>10. Are work outputs and performance measures available for all tasks included in the performance work statement? Are performance standards (quality, quantity and timeliness) tied to the performance requirements? Is DA Form 5473-R (Performance Requirements Summary), DD Form 1423 (Contract Data Requirements List) and DD Form 1664 (Data Item Description) complete and available?</p>
	<p>11. If a decision has been made not to offer facilities and equipment to prospective contractors, is a documented analysis available of the costs and benefits of not offering facilities and equipment to prospective contractors versus reprogramming the facilities and equipment, in accordance with AR 5-20?</p>
	<p>12. Are references to regulations and other directives in Section C.5 of the performance work statement limited to the applicable portion of the directive (as opposed to referencing the entire directive)?</p>
	<p>13. Are all regulations and guidance listed in Section C.6 of the performance work statement the current versions? Do the regulations and guidance listed in Section C.6 have a corresponding task referenced in the performance work statement?</p>



## ANNEX C

### **USAAA Lessons Learned On PWS Reviews**

- Required tasks not included in PWS.
- Tasks included that weren't being performed.
- Associated workload data missing, incomplete or irrelevant.
- Different time-periods used when gathering workload data.
- Incomplete or missing technical exhibits.
- Outdated and superceded directives in the listing of publications.